

# CASE STUDY

**PARKVIEW COMMUNITY HOSPITAL**  
\$30,112,000 | March 2017 | Riverside, CA



## *SIMS MORTGAGE FUNDING (SMF) HELPS CALIFORNIA HOSPITAL EXPAND*



“Sims Mortgage Funding has been a trusted partner of Parkview Community Hospital since 2011, when they helped us refinance our short-term, high interest rate debt with a HUD-insured loan. They recently guided us through another HUD-insured financing for the expansion of our emergency department, a much-needed activity that will help us continue to serve our community. They have a strong knowledge of HUD’s programs and procedures, and were able to skillfully lead the hospital, architect and construction manager through a complicated financing process and to a successful closing”.

- Stephen Popkin, CEO, Parkview Community Hospital Medical Center

### **PARTNERED RIGHT**

**Parkview Community Hospital** is a 193-bed not-for-profit community-based hospital in Riverside, California serving mostly low-and-moderate income households. Its emergency department was undersized and overutilized, which led to a loss of admissions. Because its existing HUD-insured loan could not be prepaid until 2021, Parkview’s options to finance the expansion were limited. It looked to SMF to provide a capital solution that would maximize loan proceeds and not affect its primary debt.

### **STRUCTURED RIGHT**

SMF secured a second HUD-insured loan for \$30,112,000 under the Section 242/241 Supplemental Loan program for the ED expansion. By including an appraisal of the hospital with the mortgage insurance application, SMF demonstrated that the combined primary and proposed debt would be less than 90% of hospital’s value. As a result, the Supplemental Loan was for 100% of the Project costs, which will help Parkview’s liquidity during the construction period. Moreover, by carefully aligning Parkview’s prepaid project costs into the loan application, SMF helped Parkview maximize its reimbursement at closing, further enhancing its liquidity.

### **EXECUTED RIGHT**

SMF obtained approval from the HUD Office of Hospital Facilities (OHF) in Washington, DC in approximately 120 days. We also obtained approval to jump-start the construction staging process before closing by coordinating among HUD, Parkview, and its

Construction Manager a Pre-Commitment Services Agreement. This helped the hospital and CM prepare in advance for the State construction review process post-closing.

### **FINANCED RIGHT®**

This is the second HUD-insured financing SMF has closed for Parkview. We closed the first-ever refinancing under the HUD Section 242/223(f) program for Parkview in April 2011; that financing replaced 18% short-term bridge debt with a 20-year insured loan. The Section 242/241 Supplemental Loan builds upon the initial successful financing with HUD and provides affordable capital to enable Parkview to continue to serve the Riverside community.

For more detailed information on how **Parkview Community Hospital** was Financed Right® by HJ Sims and Sims Mortgage Funding, please contact:

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